

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6975
BILL NUMBER: SB 272

DATE PREPARED: Dec 27, 2001
BILL AMENDED:

SUBJECT: Insurance Producer Continuing Education.

FISCAL ANALYST: Michael Molnar
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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill decreases over four years the number of hours of continuing education credit required for renewal of an insurance producer license from 40 hours to 20 hours.

Effective Date: July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues: This bill would potentially decrease revenue collected from fees. This bill reduces the number of hours of continuing education credit required incrementally over a four-year period. It is estimated that the number of courses registered will decrease by 12.5% in each of the next four years. This represents a decrease of 169 courses per year and a \$3,380 reduction in fees collected in FY 2004 compared to the new fee structure beginning January 1, 2002. The reduced fees would be \$6,380 in FY 2005.

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Hours Required	40	35	30	25	20
Number of Courses	1,350	1,181	1,013	844	675
Fees Collected	\$27,000	\$23,620	\$20,260	\$16,880	\$13,500
Reduction in Fees Collected		(\$3,380)	(\$6,380)	(\$10,120)	(\$13,500)
Note: Assumes reduction in courses offered mirrors reduction in hours required. HEA 1674 (2001) changed fee structure to \$40 every two years. These calculations use a \$20 per year per course fee.					

Background:

House Enrolled Act 1674 (2001) increases the fee for the approval of a continuing education course from \$10 every year to \$40 every two years, as of January 1, 2002. Providers currently can pay a fee of \$250 per year (\$500 per year under HEA 1674-2001) to have an unlimited number of courses approved. There are currently about 330 providers with 1,350 courses approved each year. The current fee generates approximately \$13,500 each year. The new fee could generate an additional \$13,500 annually depending upon how large an impact the HEA 1674-2001 fee waiver has on fee generation. Fees are deposited in the State General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources: Greg Thomas, Chief Deputy Commissioner, Department of Insurance, (317) 232-2406.